STATE OF GEORGIA
DEPARTMENT OF COMMUNITY AFFAIRS

OFFICE OF AFFORDABLE HOUSING
2001 Qualified Allocation Plan for State and Federal Tax Credits and Housing Development Resources
FREQUENTLY ASKED QUESTIONS

1. **Many of the scoring criteria in Appendix II of the Plan appear to lend themselves toward higher-quality design features, amenities, and services. Some of these items tend to add to project costs, yet applicants are also held to the per-unit cost limits in Appendix I. This can sometimes pose a dilemma for applicants. What is the general nature of the "ideal" proposal that DCA is soliciting?**
   DCA, in accordance with the Qualified Allocation Plan as well as HUD and IRS rules and regulations, has a mandate to utilize its resources to encourage development of safe, decent, sanitary, affordable rental housing of modest design, in as efficient manner as possible. In addition, the Plan sets forth as DCA's policy objectives urban redevelopment projects compatible with the surrounding neighborhood, and the development of new housing in rural (non-metropolitan) areas. The "ideal" development is therefore one that encompasses these objectives, balances quality and costs, and in which reasonable, thoughtful consideration has been given to the competitive selection criteria in view of the feasibility of including such features.

2. **Could you provide some more clarification on the Neighborhood Characteristics (Appendix II, Section 2(B)(2)), specifically, how many sides of the subject property should be developed to qualify for the "infill" points?**
   Rather than establish strict guidelines on this point, DCA prefers to maintain that properties that can be reasonably recognized as lying within established neighborhoods in a city, town, or subdivision, should be eligible for these points if the other qualifications set forth in the Plan are followed. Please note that rehabilitation projects do not necessarily automatically qualify for "infill" points.

3. **In Undesirable Site Characteristics (Appendix II, Section 2(B)(1)), what constitutes a "large power line?" Also, for determining the distance from such a line, how would this be measured?**
   For purposes of this scoring criterion, DCA will consider a power line carrying a load of at least 100kV or greater to be a "large power line." In determining distance, measuring from the base of the power line structure to the nearest building would be the most reasonable and accurate method.

4. In Appendix I, Section 13, the Site Accessibility requirements refer to legal accessibility by paved roads at the time of application. If a road will not be finished by the application deadline, can an applicant "bond" the road development and therefore guarantee the completion of the road and proceed with the application process?

The Plan requires that all sites be legally accessible by paved roads, completed and in-place at the time of application. It further states that "property that is not legally accessible by paved roads at the time of Application Submission will not meet this Threshold [criterion]." This applies to legally accessible roads not requiring site control (public roads).

If access to a site will be through other private property requiring site control (as demonstrated by a properly executed easement), the private drive will be used exclusively for access to the proposed development, and the drive is not paved at the time of application, the proposal may include plans for paving the private drive as part of the development budget. <u>This private drive must still be legally accessible by a paved road.</u>

The answer to this question depends on whether it refers to a public road or a private drive to be used exclusively for the subject property. Clearly, based on the Plan, a public road must be paved at the time of application.

5. How will DCA determine the penalty points that will be deducted for incorrect self-scoring?

DCA will investigate all self-scoring sheets submitted with the application and all justification documents that are submitted therewith. If in DCA's determination the points on a particular criterion are not justified adequately by the submitted documentation, the assigned points will be deducted in that specific category. In addition, there will be one penalty point assessed per scoring category to a maximum of three penalty points.

6. Points may be awarded for desirable activities within a certain distance from the development site in both the Neighborhood Characteristics (Appendix II, Section 2(B)(2)) and Neighborhood Services (Appendix II, Section 2(B)(3)), categories if the activities are accessible by sidewalks. If a site is located in an older, established neighborhood, with many desirable services and activities within proximity to the site, would the lack of sidewalks necessarily exempt such an application from these points?

Properties in an urban (non-rural) county, as classified in the 2001 QAP, must have "all-weather or paved sidewalks." A paved sidewalk is one paved in either asphalt or concrete. An all-weather sidewalk is an established, well-drained and maintained walking path that could have a gravel or other compacted stable walking surface.

7. **The minimum annual operating expense assumption for urban projects is $3,000 per unit. Does this policy apply to both tax credit and HOME programs? If a project is located in an enterprise zone and is eligible for property tax abatements that bring the annual cost below the $3,000 benchmark, how should this be addressed in the application? Finally, are the minimum annual operating expense assumptions (for both urban and rural) absolute?**

The minimum annual operating expense assumption applies to both tax credit and HOME programs. The application form provides for tax abatements to be treated separately in the pro forma model, so there should be little confusion on this point.

The $3,000 minimum annual operating expense assumption for urban areas is absolute. However, pursuant to the policy listed in Section 11 of the Core Plan, DCA may consider a waiver for a rural proposal if the applicant can clearly demonstrate that it would cost less than $2,600 per unit per year to operate.

8. **In a mixed-income development serving low-to-moderate-income elderly residents, can the unrestricted ("market rate") units be rented to anyone of any age? Also, in cases such as tax-exempt bond-financed projects where scoring is not required, would the requirement under Appendix II, Section 2(A) that 100% of the units in an elderly project be setaside for elderly residents?**

Given DCA's current understanding of applicable Federal and State Fair Housing laws and regulations, all units in a development designated as elderly housing must be restricted to those households where the head-of-household, spouse, or sole member is 62 years of age or older. This is regardless of whether or not the applicant is competing for the "9% Credits" (versus being eligible for the "4% Credits" for bond-financed projects), or seeking the points under Appendix II, Section 2(A) for elderly housing.

9. **Is the tax credit reservation fee based on the sum of the Federal and State credits, or just the Federal credit alone?**

The reservation fee is 7% of the Federal credit alone. For instance, if a project is reserved $500,000 in Federal credit (with a matching $500,000 of State credit), the assessed reservation fee would be 7% of $500,000, or $35,000 (not 7% of $1,000,000, or $70,000).

10. **If an applicant proposes to use a HOME loan for a project, do the HOME rent restrictions apply to all units?**

Generally, yes. However, if the applicant clearly identifies the project as a mixed-income development, finances the unrestricted ("market-rate") units with other non-DCA sources such as a private loan, and the unit mix is clearly reflected in the restrictive covenants, then the rent restrictions may not apply to those unrestricted units. Be advised that if tax credits and HOME are awarded to

a project, HOME restrictions will apply to the same units to which the tax credit restrictions apply.

11. Are the letters delineating the legal fees required in an application that is only for Federal and State tax credits (and not a HOME loan)?
No. The "legal fee breakdown letters" are a HOME requirement only, and do not apply to "tax-credit-only" projects.

12. When is the application for a cost limit waiver due, and how does one apply?
The application is due on March 15, 2001. The application may be obtained from DCA's web site (http://www.dca.state.ga.us). Bear in mind that per Appendix I, Section 4 of the Core Plan, a waiver may only be obtained for mixed-income, special-needs, or historic-rehabilitation-tax-credit project proposals.

13. In the event of scoring ties, particularly for proposed developments in the same geographic areas, how will DCA resolve the situation?
In situations where the lowest-scoring project for which there would still be tax credits and/or HOME funds available is tied with one or more others, and there is insufficient funding for all, DCA may consider such factors as market study recommendations, number of projects per applicant, cost per unit, or funds requested per unit as "tie-breakers." Similarly, regardless of ranking, DCA may employ such consideration in cases where two or more applications have the same score and would be located in an area where only one is viable. Bear in mind that, per Section 16 of the Core Plan, the Commissioner of DCA may invoke discretionary authority in allocating these resources if necessary to achieve a fair balance with regard to more efficient resource usage, geographic distribution throughout the State, or other factors deemed meritorious by the Commissioner. Tie-breaking measures will be made at DCA's sole and absolute discretion, and the factors listed above should not be construed as all-inclusive.

14. In cases of urban rehabilitation projects, certain features such as flat roofs, smaller unit sizes, existing parking situations, etc., would be difficult if not impossible to bring into line with DCA's architectural requirements. What would DCA's position be on requests for waivers of certain requirements, cost limits, etc.?
If a feature such as a flat roof or smaller units in an existing building represents the highest and best use of the property and the only way the applicant can provide amenities desirable for the tenant base, it may justify a waiver from DCA. The design specifications contained in DCA's application manual does provide for waivers depending on individual circumstances and subject to DCA's review, discretion, and written approval.

Further clarification on specific issues can be obtained by submitting a <u>written</u> project-specific question during the week of March 12, 2001. <u>No</u> project-specific questions will be considered if received after March 16, 2001.

Requests for cost-limit waivers may be entertained in the manner described in Question 11 above and Appendix I, Section 4 of the Plan.

15. Are short-term reserves held for less than the permanent loan term considered part of the developer fee for projects seeking only Federal and State tax credits from DCA (and not a HOME loan)?

No. Due to the fact that DCA's asset management operation is not equipped to monitor loan and partnership agreements to which it is not a party for lending purposes (and would therefore be able to track such reserves and fee payments), such short-term reserves would not be required to be considered part of the developer fee, nor would they be subject to the 15% developer fee limit.

16. Can an experienced developer assist an inexperienced nonprofit developer by entering into either a partnership agreement or a consulting arrangement in order to meet the experience requirements in Appendix I, Section 18 of the Plan?

Yes. An experienced developer (for-profit or nonprofit) may assist an inexperienced nonprofit developer (or owner, or manager) by entering into a partnership agreement or a consulting arrangement in order to meet those requirements. Bear in mind that, in accordance with Sections 7 and 9 of the Core Plan the resulting application must be eligible for the nonprofit setaside for Federal and State tax credits, or the CHDO setaside for HOME funding, if the "assisting" organization desires for the subject application to not be counted against its funding limit.

17. Do the funding limits apply "across-the-board," i.e., can an applicant receive funding for three projects with Federal and State tax credits (without HOME funds) and three more with HOME funds (without tax credits), if the dollar limits of each funding program are still followed?

It is DCA's intent that the three-project maximum (in addition to the program-specific dollar limits of funding) does apply for all applications for all programs. In other words, no applicant will receive funding for more than three projects, regardless of the source of the funding. The rationale for this limit is not only to avoid awarding too many resources to a single applicant, but to guard against overextending an applicant's capacity to develop and manage construction of good quality housing developments in any one funding cycle as well.

18. Can an applicant for a CHDO Predevelopment Loan enter into a partnership with a for-profit entity as long as it meets the 51% ownership threshold for the CHDO setaside for HOME funds?

No. A CHDO applicant for a Predevelopment Loan should not have an agreement with a for-profit entity at that stage. However, during the predevelopment phase and prior to an application for HOME funding, the CHDO

may enter into such a partnership as long as the requirements set forth in Section 9 and Appendix I, Section 22 of the Plan are met and followed.

19. Does the identity-of-interest policy in Section 11 of the Plan (specifically, the "three-bid rule") apply to selection of a property management company? Does it apply to payment of an incentive management fee to the general partner or an affiliate thereof?
The policy does not apply to either of these circumstances.

20. In cases where Federal and State tax credits are used with a HOME loan, does the "40/50 rule" (at least 40% of the units in each building setaside at 50% of AMI) apply if the HOME loan is being repaid with an interest rate of at least the Applicable Federal Rate?
*It is DCA's current understanding that the "40/50 rule" would not apply in those circumstances. However, the standard DCA HOME loan carries a below-market interest rate. HOME loans funded by local governments may have below market interest rates as well. The typical exception is a case where the project is located in a qualified census tract, and the applicant wishes to take advantage of the "9% Credit" in addition to the 30% adjustment in eligible basis. In those cases, the HOME loan **must** be repaid at least at the Applicable Federal Rate in order to avoid being classified as a "Federally-funded project."*

21. Are the nonprofit/CHDO setaside (Appendix I, Sections 21 and 22 of the Plan) or the points associated with 100% nonprofit ownership (Appendix II, Section 5(E) of the Plan) still available if a nonprofit uses a wholly-owned taxable subsidiary to hold its general partner interest?
Yes. This type of structure is allowed under Section 42 of the Internal Revenue Code, which is the enabling legislation for the Federal credit, and may be desirable for a variety of legal and tax reasons. Such a structure will be recognized for the purposes of both the setasides and the ownership points.

Similarly, it may be advantageous from various legal and tax positions for any entity (for-profit or nonprofit) to form a single-purpose development entity (as a general partner, developer, etc.). As long as that new entity is wholly-owned, then the experience and compliance posture of the "parent" company should flow to the new entity.

22. Does DCA maintain a list of approved supportive service providers referenced in Appendix II, Section 3(B) of the Plan?
DCA does not maintain such a list at this time. There is no mechanism for pre-approval for prospective supportive service providers. If an applicant seeks the points in the referenced section of the Plan, the provider's credentials should be included in the application. If the nature of the service requires State or local licensing, evidence of such licensing must also be included. DCA will verify the

validity of this documentation during underwriting, if the application is selected for funding.

23. Are there separate application manuals for the tax credit and HOME programs? Do these also include compliance information?

There is one Application Manual for all programs covered by the 2001 Qualified Allocation Plan. This manual is available by downloading the order form at http://www.dca.state.ga.us, and by sending it to DCA along with a check for $35.00 to cover the cost of printing and mailing. The manual includes separate sections for the tax credit and HOME programs; there are not separate tax credit or HOME manuals. Although the Application Manual includes some general compliance information, there is a separate Compliance Manual available by contacting DCA's Compliance Office at (404)679-0611.

24. Under the new Federal guidelines for meeting the "10% test" for tax credit carryover allocations (as referenced in Section 7 of the Core Plan), when will this deadline now be?

An amendment to the Federal tax law made in December 2000 reestablishes the deadline for the owner of a tax credit project to spend 10% of the reasonably expected basis in the land and buildings of a project from December 31 of the year of allocation to the later of December 31 or six months past the date of allocation. DCA anticipates making its award announcements in late August or early September, but it is important to remember that the six-month period begins at the date of ***allocation.*** *At this point, DCA anticipates making reservation of tax credits for each selected project, and at the fulfillment of certain conditions of the reservations (such as firm financing commitment, closing of land acquisition, etc.), an allocation would be made. From that point, the project owner would have six months to meet the 10% test. Exact dates are not known at this point, but would likely be February 28, 2002 or later, based on this chronology.*

25. Can rent be collected on a management or employee unit that is designated as "common space?"

In order to mitigate technical differences between the HOME and tax credit programs, as well as reflect the intent that unrestricted common space be utilized as a necessary function of the housing development, DCA has established per policy that no rent or income may be collected on an unrestricted management or employee unit that is counted as common space. If a project owner wishes to consider such a unit as a residential unit for rental income purposes, that unit may be designated as restricted ("affordable" or "low-income") or unrestricted ("market rate"), but it must be included in the unit count accordingly.

26. Will market studies be commissioned by DCA for applications for HOME funding only (without Federal and State tax credits)? If so, how will the fees be handled, since the market study cost has been rolled into the tax credit application fee?

A market study will be commissioned for all proposed developments, regardless of funding requested. The estimated cost per market study is $4,000 (the $6,000 tax credit fee is a total of the $2,000 application fee plus the $4,000 market study fee). In cases where only HOME funding is requested, the total fee will be the $500 application fee ($250 for sole-nonprofit-general-partners) plus the $4,000 market study fee.

27. According to Section 14 of the Plan, DCA may allow applicants to correct deficiencies in the Application if DCA does not use all the tax credit authority available. Will DCA allow the same with applications for HOME if it does not use all of the HOME funding available?

DCA may elect, at its discretion, to allow applicants for HOME funds to reconfigure their proposals if it appears that HOME funds will be unused in an amount and to a degree where the funds may not be applied to another use or another year's funding round.

28. Under Section 18 of the Plan, the owner of a tax credit property is required to submit proof of successfully completing a tax credit compliance course provided or sponsored by DCA prior to placing the first building of a project into service. If the owner receives training from a tax credit consultant or trainer, will DCA recognize that as adequate fulfillment of the requirement?

If the trainer is sponsored or specifically approved by DCA, it may serve as an adequate substitute. Such an arrangement must have the prior approval of DCA, and decisions will be made on a case-by-case basis.

29. If a local government does not have or enforce a zoning ordinance, what documentation must an applicant submit to confirm that this is the case?

In such cases the applicant must submit written evidence from the local government affirmatively stating that the jurisdiction does not have or enforce a zoning ordinance. It must be clear from the documentation that the proposal would meet any and all local requirements for the proposed use of the property, and that the Local Authority has reviewed the proposal.

30. If local authorities confirm in writing that their records show that public water and sewer lines are located in the vicinity of the proposed development site, but will not certify the availability of the lines until building permits have been requested as a matter of policy, will this alone meet the threshold requirement?

DCA does not desire to override local authority in such matters. However, according to Appendix I, Section 5, written evidence of all necessary commitments, easements, and other conditions of bringing water and sewer service to the property must accompany the application. This should include a statement on the availability of the service for the proposed development.

31. If the recipient of a CHDO Predevelopment Loan applies for HOME and tax credits, and part of the Predevelopment Loan was used to pay for a market study, how will this be reflected in the budget, fee structure, and market study process?

If the earlier market study is older than six months on the date of application, it may require an update (as opposed to a completely new market study). If not, the actual cost of the market study, which would have already been paid and therefore not subject to the new market study fee, should be reflected in the development budget.

If an update is required, then the update would be commissioned by DCA and a fee charged to the applicant. If a completely new market study is required, then it would follow the normal market study process as outlined in Section 13 and Appendix I, Section 11 of the Plan.

32. If a project is built using funds awarded in 2001 in accordance with Federal and State Fair Housing laws and regulations (and more specifically, accessibility standards therein), will the owner later be held liable for any future noncompliance issues regarding accessibility that currently have not been specified in the Plan, Application Manual, compliance training, or any other DCA document or manual?

As part of its ongoing compliance monitoring responsibilities, DCA is required to monitor for compliance with Fair Housing laws and regulations, including but not limited to those regarding accessibility. However, DCA cannot dispense legal advice with regard to these issues, and any guidance offered is based solely on its understanding of current law and regulation. Part of the final close-out of any DCA project (Forms IRS-8609 for tax credits, and final draws for HOME loans) would involve a final physical inspection. Per HUD and IRS directive, these final close-out procedures cannot be completed if outstanding accessibility issues remain on-site. But finalization of a project on DCA's part cannot predict ongoing compliance with the law. The owner is therefore ultimately legally and financially responsible for compliance with the law.

33. Under Appendix I, Section 22 of the Plan, is an attorney's letter regarding the nonprofit tax-exempt status a required submission for HOME applications in the CHDO setaside?

No. If the application is also for tax credits under the nonprofit setaside, such a letter is required for purposes of conformity to the applicable tax laws. However, if a CHDO applicant is applying for HOME funds only, that organization would have already been certified (or renewed) by DCA as a CHDO. The tax-exempt status information would already be on file.

34. Under Appendix II, Section 3(A), what is the minimum amount of operating cost contributions or tenant rent subsidies that must be invested by a public housing authority in order to qualify for these points, and what is the

minimum length of time that the units must be held and rented to public housing tenants?
Although there is no set minimum amount of operating cost contributions, a public housing authority would usually provide rent subsidies for the units held and rented to public housing tenants in order to earn points in this category. The typical per-unit amount would be the difference between 30% of the household's income and the actual operating cost of that unit. In some cases the formula may be based on HUD-published "fair market rents" rather than actual operating costs.

It would be preferable for the public-housing-setaside-units to be held for the tax credit compliance period, extended use period, or the HOME affordability period. However, logically, it would only be feasible for them to be held for the life of the public housing authority's subsidy. Under this section, the minimum period would be five years.

35. Are there more specific guidelines for the points available under Appendix II, Section 5(A), for the community-based nonprofit entity that is required to be part of the ownership entity and development team?
There have been several requests for specific requirements for the definition of "community-based nonprofit . . . in the immediate area" (e.g., three-county rural area, two-counties plus a second-tier city, etc.). It is important to remember that the ultimate goal with this criterion is to promote redevelopment in older, existing neighborhoods in a manner that is part of an existing, organized, cohesive effort by an existing nonprofit organization that is based in the respective neighborhood and recognized as an established entity in that area. The organization's board of directors must be comprised by people in that neighborhood who are recognized as leaders in that community, such as elected officials or members of local civic groups.

Since Georgia's communities are diverse in their composition and size, it is impossible to set a single standard for "service area" or "community-based nonprofit" that would apply to all situations. What would meet this definition in a neighborhood near downtown Atlanta would differ greatly from a similar situation in Crisp County. The best answer for this question is what a reasonable person would describe as the service area.

The nonprofit itself must again be an established organization in the target community that is actually doing revitalization work in the neighborhood, rather than a newly organized entity that was obviously inserted in the application simply to gain these points. Again, a reasonableness approach may ultimately be in order.

36. Under Appendix II, Section 5(D) of the Plan, if a local public housing authority that is part of the ownership entity is also the provider of the rental subsidy, would it be eligible for the rental-assistance points?

Generally, the "owner-funder non-control" rule was intended to avoid situations where a housing authority (either alone or in concert with a private developer) that was part of the ownership and/or development entity, may funnel all or part of its developer fee back into the project under the guise of "rental assistance" or the like.

In reality, a local public housing authority would receive its rental-assistance funds from HUD. Documentation of this funding from HUD would suffice in this instance.

37. Under Appendix II, Section 4(B) of the Plan, if the local government funds a project with funds other than HOME or CDBG, is it still eligible for these points?

Yes. HOME and CDBG were simply offered as the most common examples of local government funding sources. Other sources of funding from the local government, such as local funds, tax abatements, land contributions, etc., would also be eligible.

38. Are projects funded with tax-exempt private activity bond proceeds subject to the per-unit cost limitations in Appendix I, Section 4 of the Plan? Is the cost of land included in these limits?

Yes, all tax credit and HOME projects are subject to the cost limits. The cost limits reflect total development costs, including land.

39. How exactly is debt service computed on a non-amortizing HOME loan?

The loan payment on a non-amortizing HOME loan is calculated as a function of the projected net operating income. Generally, the payment is calculated such that the overall debt service coverage ratio is not less than 1.10 (but not greater than 1.30 in the first year). The monthly payment is reflected in the note, but it may not be an even payment stream (i.e., it may be adjusted annually, biannually, etc.) In addition, half of the projected excess cash flow will be deposited into an escrow account, controlled by DCA, and will be held for capital improvements or debt reduction.

40. Is the "area-median-income-plus-5%" rule for establishing income limits, as discussed in Appendix I, Section 1 of the Plan, applicable to projects where the HUD fair market rents may be as low as 40% or 50% of AMI, or just in cases where the applicant specifically lowers rents for his own or market conditions?

This rule would not apply to cases where the rents would be lower due to the HUD fair market rents. This would only apply to cases where the applicant proposes lower rents due to market or other considerations.

41. The 2001 Application Manual includes some data tables from previous years, e.g., the 1999 DCA Utility Allowances and the 2000 Maximum Gross Rent tables. Are these the tables that DCA will be using to evaluate and underwrite projects submitted for 2001 funding?

No, DCA will use the most current (2001) editions for evaluating 2001 applications. The 2001 tables could not be provided with the Application Manual because the entities that supply the data (DCA's Community Services Division and HUD) for the tables had not yet released the 2001 versions as of the date of the printing and mailing of the Manual. Both of the two data tables will be posted on the DCA web site (http://www.dca.state.ga.us/housing/forms.html) as soon as they are released.

41. There are different dates given for when applicant feedback for the electronic form must be submitted back to DCA - which is correct?

It is hoped that applicants will respond to DCA at sbarrett@dca.state.ga.us by March 5, as the final version is due to be posted on March 7. Any feedback between March 5 and March 7 will be considered, but may have less chance for inclusion depending on the amount of time needed for the change.

42. Would an existing property that has exterior finishes comprising 20% stone and 80% cement stucco qualify for the 40% masonry exterior finish points? Would concrete pavers qualify for the same durable construction points?

At this time, the 2001 QAP stipulates that to qualify for these points the total wall surface of each exterior face must be finished in excess of 40% stone or brick facing. Therefore neither cement stucco nor concrete pavers would qualify for these points.

43. How is the total wall surface calculated to ensure that an area in excess of 40% brick or stone will qualify for the point allocation?

The total (gross) wall surface shall be calculated by measuring the height and width of each individual exterior wall face. If that includes an end-gable section, it would be included, as are all doors and windows. This number would then be used to calculate the 40% of brick or stone, to qualify for the point's allocation.

44. Are there more specific guidelines for the visibility points described in Appendix II, Section 2(B)(5) of the Plan?

A private drive totaling 100 feet in width, to a piece of property that is set back from a public thoroughfare, will qualify for these points. The 100 feet width can include the private driveway and landscaped areas on each side of that driveway, or any other appropriate entrance treatment to the property. The 100 foot width private driveway must not provide a shared access to any other adjacent properties or uses, and must be dedicated to the proposed development. The definition of major thoroughfare is a paved public road or street maintained by the local authorities for public vehicle use. In the case of a cul-de-sac, providing

the cul-de-sac remains public property, is maintained by the local authority and is paved, it would meet the criterion for these points as long as the circumference of the cul-de-sac is 100 feet or more.

45. Can parking be provided off-site in an "infill" or urban setting to meet the DCA requirements for parking?

If there is insufficient space on an urban infill property to provide the ratio of parking required in the DCA application manual, the following parking arrangements may be acceptable to DCA at DCA's sole and absolute discretion (note that in all cases it is mandatory that all handicapped parking requirements be satisfied with appropriate on-site parking):

- *Off-site parking on private property must be located immediately adjacent to or directly opposite to the proposed development. The private property must be controlled by the applicant for the life of the compliance period of the funding source.*
- *Off-site parking on private property must be dedicated to the residents of the proposed development for the life of the compliance period of the funding source.*
- *On-street parking will only be acceptable when the parking is immediately adjacent to the site and not across the street.*
- *All on-street parking must be dedicated to the proposed development, must be sign posted and enforced for the life of the compliance period of the funding source.*

Adequate documentation must be submitted with the application to clearly indicate all aspects of the control and dedication of the off-site parking to the property. The documentation must indicate that the parking will meet all DCA and local zoning requirements. In all cases the dedication of off-site parking must not violate any local zoning or other local authority requirements and must meet minimum DCA parking ratio requirements.

46. Will DCA accept additional documentation after the Application deadline if an application does not meet Threshold?

Yes. However, such information would be accepted only upon written request from DCA as a result of its determination that the application does not meet one or more Threshold Requirements. Such additional documentation will not be used for any scoring criteria and DCA will accept no additional documentation after the application deadline to increase any allocation of points.

47. On an urban site where there is no existing natural vegetation to be preserved, would upgraded landscape design qualify for these points?

This scoring criterion clearly states that two points will be awarded if the proposed site has mature trees that will be protected during construction and remain part of the finished landscaping. On a site that has no existing mature trees and/or existing vegetation these points cannot be earned. However, the site

can earn points for substantial landscape upgrade and appropriate design/amenity features, as long as these features are clearly indicated on the site drawings submitted with the application. Please note the requirements for fencing in urban locations as stated in Appendix I, Section 12 of the Plan.

48. How is the developer's overhead calculated separate from the developer's profit?

The sum of the Developer's Overhead and Consultant Fee that can be drawn down during construction must not exceed the lesser of (1) 20 percent of the maximum allowable developer fee, or (2) 50 percent of the total developer fee requested. The consultant's fee is considered part of the developer's fee for purposes of calculating the maximum developer's fee if the consultant is acting in the capacity of developer or construction manager.